

Sub:- A&C Dept - A.P.State Coop. Union Ltd., Hyderabad - Exemption from the purview of the Section 116-C of APCS Act 1964 - Requested- Regarding.

Ref:- From the Commissioner for Co-operation and Registrar of Co-operative Societies, A.P. HyderabadLr.Rc.No. 2281/2009-PE, dated 23.3.2009

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Please see the letter received along with enclosures from the Commissioner for Co-operation and Registrar of Co-operative Societies, A.P. Hyderabad at pages 1- 3 cf.

The Commissioner for Cooperation & Registrar of Cooperative Societies, Andhra Pradesh, Hyderabad has stated that, the Managing Director, A.P.State Cooperative Union, Hyderabad has proposed for according exemption to the A.P.State Cooperative Union, Hyderabad from the purview of the provision of Section 116-C of A.P.Coop. Societies Act, 1964.

The CC & RCS has reported that the M.D. A.P.State Coop. Union, Hyderabad has sought exemption on the following grounds:-

1. The A.P.State Cooperative Union, Hyderabad came into existence after amalgamation of Andhra Desa Coop. Union, Rajahmundry and erstwhile Hyderabad Central Coop. Union during 1966 extending its area of operation to the entire State of Andhra Pradesh.
2. The main objectives of the Union are to develop, strengthen and safeguard the cooperative movement to organize, promote cooperation in its various phases to propagate cooperative principles, to arrange cooperative education programmes for the members, non-members and to expand the umbrella of cooperation, to arrange training to the departmental officers to improve their functioning to conduct awareness programmes on MACS Act 1995, conversion of societies under 1964 Act to MACS Act, to conduct regular diploma courses in Cooperative Movement and Computer Applications etc. to

publish cooperative journal "Sahakara Saamacharam" other literature on Cooperation etc.

3. The Union is an educational institution having 6 Cooperative Training Centres to train the employees of cooperative societies and staff of Cooperative Department but not a business organization. The Union is having a press working on non commercial basis and printing of the Byelaws, Registers required for the societies is undertaken on no loss no profit basis only.
4. The main source of income to the Union is Education Fund 30% out of 1% of gross profit or gross income in a year whichever is less towards Cooperative Education Fund is subject to the limits prescribed under Plan & Non-Plan. Secondly, Government Grants-in-aid under Non-Plan / Plan, thirdly sale proceeds of printed stationery and annual subscription from member societies and subscription of Sahakara Samacharam.
5. The condition laid down in Section 116-C i.e. expenditure towards pay and allowances of employees shall not exceed 2% of working capital or 30% gross profit need not be applied to the A.P.State Cooperative Union as it is constituted under Rule 12(2) (a) of APSC Rules 1964 and Government is sanctioning Grants-in-aid towards salaries of the staff every year for implementation of training and educational schemes under Non-Plan.

In view of the above facts submitted by the Managing Director, AP State Cooperative Union Ltd., Hyderabad, the Commissioner for Co-operation and Registrar of Co-operative Societies, A.P. Hyderabad has requested to consider the proposals for exemption of the A.P.State Coop. Union Ltd., Hyderabad from the purview of the provision of Section 116-C of APSC Act 1964 for a period of 3 years .

In this regard, it is submitted that the Section 116-C reads as follows:

*116-C: Staffing pattern of societies:*

- (1) *A society shall have power to fix the staffing pattern, qualifications, pay scales and other allowances for its employees with the prior approval of the Registrar of Cooperative Societies subject to the condition that expenditure towards pay and allowances of the employees shall not exceed two percent of the working capital or thirty percent of the Gross profit, in terms of actuals in a year whichever is less.*
- (2) *No appointment or removal of a Chief Executive by whatever name called of any society, or class of societies as may be prescribed which are in receipt of financial aid from the Government, shall be made without the prior approval of the Registrar of Cooperative Societies.*

In this connection, it is submitted that, neither the Managing Director, AP State Cooperative Union Ltd., Hyderabad nor the Commissioner for Co-operation and Registrar of Co-operative Societies, A.P. Hyderabad has reported the actual expenditure being incurred by the said Cooperative Union towards pay and allowances of the staff .

Hence, the Commissioner for Co-operation and Registrar of Co-operative Societies, A.P. Hyderabad may be requested to furnish the actual expenditure being incurred by the said Cooperative Union towards pay and allowances of the staff along with cadre strength for taking further course of action in the matter.

Draft Order

C.No.4457/Coop-IV(2)/2008

ABSTRACT

A&C Dept - A.P.State Coop. Union Ltd., Hyderabad - Exemption from the purview of the Section 116-C of APCS Act 1964 - Orders - Issued.

**AGRICULTURE AND COOPERATION (COOP.IV) DEPARTMENT**

G.O.Rt.No.

Dated -05-2009,  
Read the following:-

- 1) From the Managing Director, A.P.State Cooperative Union Ltd., Hyderabad Lr.Rc.No. 2305/2008E, dated 24.1.2009
- 2) From the Commissioner for Co-op. and Registrar of Co-op. Societies, A.P. Hyderabad Lr.Rc.No. 2281/2009-PE, dated 23.3.2009

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ORDER:

In the circumstances reported by the Commissioner for Co-operation and Registrar of Co-operative Societies, A.P. Hyderabad and keeping in view of the grounds explained by the Managing Director, A.P.State Cooperative Union Ltd., Hyderabad Government after careful examination hereby accord exemption to AP State Cooperative Union Ltd., Hyderabad from the purview of the Section 116-C of Andhra Pradesh Cooperative Societies Act, 1964.

The Commissioner for Co-operation and Registrar of Co-operative Societies, A.P. Hyderabad shall take necessary action accordingly.

To

The CC & RCS, AP, Hyderabad.

Copy to the MD., APState Cooperative Union Ltd., Hyderabad.

SF/SC.

GOVERNMENT OF ANDHRA PRADESH  
AGRICULTURE AND COOPERATION (COOP.IV) DEPARTMENT

Memo.No.4457/Coop-IV(2)/2008,

Dated 15-05-2009.

Sub:- A&C Dept - A.P.State Coop. Union Ltd., Hyderabad - Exemption from the purview of the Section 116-C of APCS Act 1964 - Requested- Regarding.

Ref:- From the Commissioner for Co-operation and Registrar of Co-operative Societies, A.P. Hyderabad Lr.Rc.No. 2281/2009-PE, dated 23.3.2009

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The attention of the Commissioner for Co-operation and Registrar of Co-operative Societies, A.P. Hyderabad is invited to the reference cited. He is requested to furnish the actual expenditure being incurred by the A.P.State Coop. Union Ltd., Hyderabad towards pay and allowances of the staff along with cadre strength for taking further course of action in the matter.

B. JAYAPAL RAO,  
DEPUTY SECRETARY TO GOVERNMENT.

To

The Commissioner for Co-operation and Registrar of Co-operative Societies,  
A.P. Hyderabad.

Copy to the Managing Director, A.P.State Cooperative Union Ltd., Hyderabad.

// FORWARDED:: BY ORDER //

SECTION OFFICER.